

No. 20662

United States
COURT OF APPEALS
for the Ninth Circuit

JEDDELOH BROTHERS SWEED MILLS,
INC., et al.,
v. *Appellants,*

COE MANUFACTURING COMPANY,
a Corporation,
and *Appellee,*

COE MANUFACTURING COMPANY,
a Corporation,
v. *Appellee and Cross-Appellant,*

JEDDELOH BROTHERS SWEED MILLS,
INC., et al.,
Appellants and Cross-Appellees.

*Appeal from the United States District Court for the
District of Oregon—Civil No. 9702 (Judge Solomon)*

PETITION FOR REHEARING

BUCKHORN, BLORE, KLARQUIST & SPARKMAN,
KENNETH S. KLARQUIST,
703 Board of Trade Building, Portland, Oregon 97204,
KRAUSE, LINDSAY & NAHSTOLL,
GUNTHER F. KRAUSE,
9th Floor Loyalty Building, Portland, Oregon 97204,
WATTS, HOFFMANN, FISHER & HEINKE,
JAMES T. HOFFMANN,
500 Union Commerce Building, Cleveland, Ohio 44114,
Attorneys for Appellee and Cross Appellant.

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PETITION FOR REHEARING

TO THE HONORABLE FREDERICK G. HAMLEY,
M. OLIVER KOELSCH, Circuit Judges and
JAMES A. WALSH, District Judge:

COE MANUFACTURING COMPANY, petitions this Court for a rehearing (we suggest en banc) submitting that the Court rested its decision of November 23, 1966 upon an erroneous understanding of the facts and the criteria establishing obviousness, and because in *Graham v. John Deere*, 383 U.S. 1, the Supreme Court for the first time considered 35 U.S.C. 103 and this and other Circuits have indicated a different interpretation of that decision.

The court misunderstood Streeter and therefore was mistaken as to "the scope and content of the prior art" and the differences between Parker and Streeter.

The Court stated in its opinion (p. 10):

"Streeter, as well as Parker, provides a way to vary vertical positioning of both the infeed and outfeed ends to accommodate variations in height at the source and destination."

In Streeter there is no vertical positioning of the infeed end to accommodate variations in height at the source. The source is the belt conveyor 1 of *fixed height* upon which single sheets of wall board are carried. The direction of travel of the sheets is changed 90° and the sheets are shifted from the conveyor 1 to a "*stationary feed section 14*" (Tr. IV 449, L. 7-8) by transfer rolls 4. Unlike Parker, Streeter cannot feed from a stack since there is no means for varying the height of the infeed

end to accommodate variations in height at the source.

This Court in its opinion (p. 10-11) further stated:

“The only structural element which is present in Parker, but lacking in Streeter, is the pinch roll mechanism.”

This is not true. *Adding pinch rolls to Streeter would not produce Parker's apparatus* nor one capable of accommodating itself to a source of material in stacks of varying height.

The opinion further states (p. 11, nt. 11):

“The Streeter patent had only jump rolls for feeding sheets at the infeed end and all the Parker patent added was a set of upper rolls.”

It is not apparent how this could be done without interfering with the conveying of material over the jump rolls by the conveyor 1 since such upper roll would be in the path of the material. “An inoperable invention or one which fails to achieve its intended result does not negative novelty.” *U. S. v. Adams*, 383 U.S. 39, 50.

The court erred in the limited weight accorded to long felt but unsolved need, long period and great expense of development, disbelief of the industry of operability of any mechanical feeder, the subsequent acceptance by the industry, and subsequent patenting of improvements by competitors as indicating non-obviousness of the combination “as a whole . . . at the time the invention was made to a person having ordinary skill in the art.”

The Supreme Court in *Graham* and *Adams* approved consideration of the above factors. The rejection of them here is inconsistent with (1) numerous decisions of the Supreme Court such as *Paramount Publix Corp. v.*

American Tri-Ergon Corp., 295 U.S. 464, 497, where it stated:

“Where the method or device satisfied an old and recognized want, invention is to be inferred, rather than the exercise of mechanical skill;”

(2) the interpretation of *Graham* by *this Court* in *Bentley v. Sunset House Distributing*, 359 F.2d 140 where in considering obviousness this court said:

“The fact that patentee’s device satisfies long felt needs is persuasive proof of innovation, *Graham v. John Deere Co.*, 84 S. Ct. 684; *Kaakinen v. Peelers Co.*, 9 Cir., 1962, 301 F.2d 170, 173.” (p. 145, nt. 3); and

(3) the Seventh Circuit in *Walt Disney v. Niles*, 151 USPQ 528, decided Nov. 19, 1966, where the court concluded that evidence of such factors “strongly points to non-obviousness” and, in reversing the lower court, held the patent valid.

To require in a combination of mechanical elements that such elements individually perform in the combination some different function than they performed out of it is not a requirement imposed by the A & P decision and to impose such a standard upon inventors of mechanical combinations constitutes a denial to them of equal protection under the laws.

In *Cold Metal Process Co. v. Republic Steel Corp.*, 233 F.2d 828, 848 (C.A. 6, 1956) cert. den., 352 U.S. 955, the court said:

“Republic’s contention carried to its logical conclusion is that for a combination of old elements in a machine to be patentable these elements must be transformed into mechanical processes or mechanisms performing different mechanical functions from

those they formerly performed. We think this is not sound. A roller bearing will always be a roller bearing. A mechanism used in a combination is not thereby transformed into a different mechanism."

A & P v. Supermarket, 340 U.S. 147, does not require a different function of elements in combination and to require such an improbability in a combination of mechanical elements as implied by this court here and as it held on December 6, 1966 in *Santa Anita Mig. Corp. v. Lugash*, App. No. 20,267, is a denial of equal protection under the laws to inventors of mechanical combinations in that it places upon such inventors a greater burden than it does upon inventors of combinations in chemistry or electronics since the *A & P* case recognized mechanical elements do not usually take on some new quality or function when united as compared with elements in chemistry or electronics.

The Court's reliance on the necessity of an "unusual or surprising result" is in conflict with Graham.

The Eighth Circuit in *John Deere Co. v. Graham*, 333 F.2d 529, 535, found no "new or significantly different result" which the Supreme Court on appeal declared was not the correct test stating:

"In 1964, the Eighth Circuit held, in the case at bar, that there was no new result in the patented combination and that the patent was, therefore, not valid We have determined that *neither circuit applied the correct test* . . .". 383 U.S. 1, 4. (Emphasis added.)

The Seventh Circuit in *Walt Disney v Niles*, *supra*, said, "'usual and surprising result' as a controlling factor has gone with the 'flash of creative genius.'" "

Holding the entire patent invalid deprives plaintiff of its property without due process.

At the original trial (Tr. Vol. I, 257) and by stipulation (Finding of Fact XII) subsequent to remand the issue of "invention," now non-obviousness, was restricted to claims 3, 5, 7 and 17, and these were the only claims adjudicated by the District Court. (Conclusion of Law IV, Judgment, par. 1.)

35 U.S.C. 282 provides:

"Each claim of a patent . . . shall be presumed valid independently of the validity of other claims."

No testimony, arguments or issues as to the "obviousness" or "non-obviousness" of other claims was presented and holding the other 21 claims invalid at this time is not in accord with due process of law.

CONCLUSION

The court misconstrued the state of the art and the nature of Parker's advancement, both requisite to determining obviousness. The tests applied do not correctly measure the non-obviousness of the advancement, are in conflict with decisions of the Supreme Court, this court and other circuits and are unconstitutional as applied.

Respectfully submitted,

GUNTHER F. KRAUSE
KENNETH S. KLARQUIST
JAMES T. HOFFMANN

Attorneys for Coe Manufacturing Company



CERTIFICATE OF COUNSEL

I certify that, in connection with the preparation of this Petition for Rehearing, I have examined Rule 23 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing Petition for Rehearing is well founded and it is not interposed for delay.

KENNETH S. KLARQUIST

Of Attorneys for Appellee-Cross-Appellant